

Attorney General's Office
100 N. Carson Street
Carson City, Nevada 89701-4717

BEFORE THE COMMISSION OF APPRAISERS OF REAL ESTATE
STATE OF NEVADA

JOSEPH (JD) DECKER, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS AND INDUSTRY,
STATE OF NEVADA,

Case Nos. AP14.025.S
AP14.011.S
AP14.041.S

Petitioner,

vs.

ORDER APPROVING STIPULATION FOR
SETTLEMENT OF DISCIPLINARY ACTION

RONALD JAMES,
License No. A.0003842-CG,

Respondent.

The parties' Stipulation for Settlement of Disciplinary Action (Stipulation) having come before the Nevada Commission of Appraisers of Real Estate (Commission), and the Commission being fully apprised in the premises, and good cause appearing to the Commission,

IT IS HEREBY ORDERED that the Stipulation for Settlement of Disciplinary Action, attached hereto as Exhibit 1 and incorporated herein, is hereby approved.

If Respondent fails to timely fulfill the terms of the Stipulation, then the Real Estate Division, Department of Business and Industry, State of Nevada (Division) may automatically rescind the Stipulation and the Order Approving Stipulation for Settlement of Disciplinary Action, and may proceed in filing a complaint before the Commission and Respondent's license will be automatically suspended.

IT IS FURTHER ORDERED that the Division may institute collection proceedings for failure to pay the fine and reimbursement.

This Order shall become effective on APRIL 30, 2015.

Dated this 30 day of MARCH, 2015.

COMMISSION OF APPRAISERS OF REAL ESTATE

By:

COMMISSIONER

FILED

MAR 30 2015

NEVADA COMMISSION OF APPRAISERS

EXHIBIT “A”

FILED

MAR 30 2015

NEVADA COMMISSION OF APPRAISERS

BEFORE THE COMMISSION OF APPRAISERS OF REAL ESTATE

STATE OF NEVADA

JOSEPH (JD) DECKER, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS AND INDUSTRY,
STATE OF NEVADA,

Petitioner,

vs.

RONALD JAMES,
License No. A.0003842-CG,

Respondent.

Case Nos. AP14.025.S
AP14.011.S
AP14.041.S

STIPULATION FOR SETTLEMENT OF
DISCIPLINARY ACTION

This Stipulation for Settlement of Disciplinary Action (Stipulation) in the above-captioned matter is to resolve all pending Disciplinary Actions and is entered into between the Petitioner, STATE OF NEVADA, DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION (Division), by and through its ADMINISTRATOR JOSEPH (JD) DECKER, and its counsel Nevada State Attorney General ADAM PAUL LAXALT and Deputy Attorney General COLLEEN L. PLATT, and Respondent, RONALD JAMES (Respondent).

JURISDICTION

Respondent stipulates and agrees that at the relevant times mentioned in this Stipulation, he was licensed as a certified residential appraiser by the Division, under license number A.0003842-CG and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapter 645C and NAC Chapter 645C.

FACTUAL ALLEGATIONS SET FORTH IN COMPLAINT A14.025.S

1. Respondent completed an appraisal of a single-family home located at 10520 San Sicily Street, Las Vegas, Nevada, 89141 (subject property). (See Exhibit 1, BS p. 93-119)

2. The appraisal had an effective date of June 14, 2013, and a signature date of June 20, 2013. The appraised value was \$1,800,000.

3. The data contained in Respondent's work file did not support the neighborhood for one-unit housing information contained in the report.

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1 4. Respondent failed to properly analyze and/or inconsistently reported the trend in
2 the supply and demand of the subject property's neighborhood.

3 5. Respondent failed to properly analyze and/or report the subject property's
4 conformity with the subject property's neighborhood.

5 6. Respondent failed to report the easement that is adjacent to the subject
6 property.

7 7. Respondent inconsistently reported the number of bathrooms for the subject
8 property.

9 8. Respondent failed to accurately measure the subject property.

10 9. Respondent failed to accurately sketch the subject property.

11 10. Respondent failed to analyze and/or report that the sale of comparable sale 2
12 included all of the furnishings.

13 11. Respondent failed to explain in the appraisal report why he did not use the sale
14 of 4085 San Franchesca Court as a comparable sale.

15 **FACTUAL ALLEGATIONS SET FORTH IN COMPLAINT A14.011.S**

16 1. Respondent completed an appraisal of a single-family home located at 1270
17 Blind Pew Ridge, Mesquite, Nevada 89027 (subject property). (See Exhibit 1, BS
18 p. 13-34)

19 2. Respondent signed a certification of completion of the report, which stated that
20 he performed a visual inspection of the subject property to determine if the conditions and/or
21 requirements stated in the original appraisal were satisfied.

22 3. Respondent did not perform a visual inspection of the subject property.

23 **FACTUAL ALLEGATIONS SET FORTH IN COMPLAINT A14.041.S**

24 1. Respondent completed an appraisal of a single-family home located at 44
25 Midnight Drive, Las Vegas, Nevada 89135 (subject property). (See Exhibit 1, BS p. 29-50).

26 2. The appraisal had an effective date of June 02, 2014, and a signature date of
27 June 05, 2014. The appraised value was \$2,500,000.

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1 3. Respondent failed to explain the affect on value for his conclusion that the
2 property values were increasing in the subject property's neighborhood.

3 4. Respondent failed to explain the reasons that he did not make a time adjustment
4 for the increase in property values in the subject property's neighborhood.

5 5. Respondent failed to analyze and report that comparable sales 2 and 3 included
6 casitas.

7 6. Respondent failed to make adjustments for the casitas in comparable sales
8 2 and 3.

9 7. Respondent failed to explain whether the living area he reported on comparable
10 sales 3 included the casita.

11 8. Respondent failed to support the adjustment he made for the pool and the
12 entertainment area.

13 9. Respondent failed to properly analyze and/or support the reason that the subject
14 property sold for \$952,303 less than his opinion of value one year and three months prior to
15 the effective date of the appraisal report.

16 **VIOLATIONS OF LAW SET FORTH IN COMPLAINT A14.025.S**

17 **First Claim for Relief**

18 Respondent has engaged in unprofessional conduct by failing to prepare the appraisal
19 in compliance with the standards of the Appraisal Foundation, a violation of
20 NRS 645C.460(1)(a), including the act found at NAC 645C.405(1). These standards are
21 published in the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by
22 the Appraisal Standards Board of the Appraisal Foundation as authorized by Congress and
23 adopted in Nevada by NAC 645C.400.

24 **Second Claim for Relief**

25 Respondent has engaged in unprofessional conduct by failing to protect the public by
26 issuing an appraisal with numerous errors, a violation of NRS 645C.460(1)(a), including the
27 act found at NAC 645C.405(2).

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Third Claim for Relief

By failing to understand and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal report, Respondent is in violation of USPAP Standards Rule 1-1(a). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Fourth Claim for Relief

By committing a substantial error of omission and/or commission that significantly affects the appraisal, Respondent is in violation of USPAP Standards Rule 1-1(b). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Fifth Claim for Relief

By rendering appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affect the credibility of those results, Respondent is in violation of USPAP Standards Rule 1-1(c). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Sixth Claim for Relief

By failing to identify the characteristics of the subject property that are relevant to the type and definition of value and the intended use of the appraisal, including, the location and physical, legal and economic attributes of the subject property and/or the known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and/or special assessments, respondent is in violation of USPAP Standards Rule 1-2(e)(i) and/or (iv). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Seventh Claim for Relief

By failing to analyze the comparable sales data that was available to indicate a value conclusion in a sales comparison approach, Respondent is in violation of USPAP Standards

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1 Rule 1-4(a). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the
2 act found at NAC 645C.405(1).

3 **Eighth Claim for Relief**

4 By failing to clearly and/or accurately set forth the appraisal in a manner that was not
5 misleading, Respondent is in violation of USPAP Standards Rule 2-1(a). This is
6 unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at
7 NAC 645C.405(1).

8 **Ninth Claim for Relief**

9 By failing to include in the appraisal report sufficient information to enable the intended
10 users of the appraisal report to understand the report properly, Respondent is in violation of
11 USPAP Standards Rule 2-1(b). This is unprofessional conduct pursuant to
12 NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

13 **Tenth Claim for Relief**

14 By failing to summarize the information contained in the appraisal report sufficiently to
15 identify the real estate involved in the appraisal, including the physical and economic
16 characteristics of the subject property which were relevant to the assignment, Respondent is
17 in violation of USPAP Standards 2-2(b)(iii). This is unprofessional conduct pursuant to
18 NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

19 **Eleventh Claim for Relief**

20 By failing to summarize the scope of work used to develop the appraisal, Respondent
21 is in violation of USPAP Standards Rule 2-2(b)(vii). This is unprofessional conduct pursuant
22 to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

23 **Twelfth Claim for Relief**

24 By failing to keep necessary data to support the opinions and conclusions in his
25 appraisal report, Respondent is in violation of the Record-Keeping Section of the USPAP.
26 This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act
27 found at NAC 645C.405(1).

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VIOLATIONS OF LAW SET FORTH IN COMPLAINT A14.011.S

First Claim for Relief

Respondent has engaged in unprofessional conduct by failing to prepare the appraisal in compliance with the standards of the Appraisal Foundation, a violation of NRS 645C.460(1)(a), including the act found at NAC 645C.405(1). These standards are published in the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation as authorized by Congress and adopted in Nevada by NAC 645C.400.

Second Claim for Relief

Respondent has engaged in unprofessional conduct by failing to protect the public by issuing an appraisal with numerous errors, a violation of NRS 645C.460(1)(a), including the act found at NAC 645C.405(2).

Third Claim for Relief

Respondent has engaged in unprofessional conduct and/or professional incompetence by knowingly communicating a false and/or fraudulent appraisal to an interested person and/or engaged in deceitful, fraudulent and/or dishonest conduct, a violation of NRS 645C.460(1)(a) and/or (b), including the act found at NAC 645C.405(2).

Fourth Claim for Relief

By failing to prepare an appraisal report that the Respondent knows is fraudulent and/or misleading, Respondent is in violation of the Ethics Rule of USPAP. This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

VIOLATIONS OF LAW SET FORTH IN COMPLAINT A14.041.S

First Claim for Relief

Respondent has engaged in unprofessional conduct by failing to prepare the appraisal in compliance with the standards of the Appraisal Foundation, a violation of NRS 645C.460(1)(a), including the act found at NAC 645C.405(1). These standards are published in the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by

1 the Appraisal Standards Board of the Appraisal Foundation as authorized by Congress and
2 adopted in Nevada by NAC 645C.400.

3 **Second Claim for Relief**

4 Respondent has engaged in unprofessional conduct by failing to protect the public by
5 issuing an appraisal with numerous errors, a violation of NRS 645C.460(1)(a), including the
6 act found at NAC 645C.405(2).

7 **Third Claim for Relief**

8 By failing to understand and correctly employ those recognized methods and
9 techniques that are necessary to produce a credible appraisal report, Respondent is in
10 violation of USPAP Standards Rule 1-1(a). This is unprofessional conduct pursuant to
11 NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

12 **Fourth Claim for Relief**

13 By committing a substantial error of omission and/or commission that significantly
14 affects the appraisal, Respondent is in violation of USPAP Standards Rule 1-1(b). This is
15 unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at
16 NAC 645C.405(1).

17 **Fifth Claim for Relief**

18 By rendering appraisal services in a careless or negligent manner, such as by making a
19 series of errors that, although individually might not significantly affect the results of an
20 appraisal, in the aggregate affect the credibility of those results, Respondent is in violation of
21 USPAP Standards Rule 1-1(c). This is unprofessional conduct pursuant to
22 NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

23 **Sixth Claim for Relief**

24 By failing to analyze the comparable sales data that was available to indicate a value
25 conclusion in a sales comparison approach, Respondent is in violation of USPAP Standards
26 Rule 1-4(a). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the
27 act found at NAC 645C.405(1).

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Seventh Claim for Relief

By failing to analyze all sales of the subject property that occurred within the three years prior to the effective date of the sale, Respondent is in violation of USPAP Standards Rule 1-5(b). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Eighth Claim for Relief

By failing to clearly and/or accurately set forth the appraisal in a manner that was not misleading, Respondent is in violation of USPAP Standards Rule 2-1(a). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Ninth Claim for Relief

By failing to include in the appraisal report sufficient information to enable the intended users of the appraisal report to understand the report properly, Respondent is in violation of USPAP Standards Rule 2-1(b). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

Tenth Claim for Relief

By failing to summarize the information analyzed, the appraisal methods and techniques employed and the reasoning that supports the analyses, opinion and conclusions and/or explaining why the sales comparison approach, cost approach or income approach was excluded, Respondent is in violation of USPAP Standards Rule 202(a)(viii). This is unprofessional conduct pursuant to NRS 645C.460(1)(a), including the act found at NAC 645C.405(1).

DISCIPLINE AUTHORIZED

NRS 645C.460 establishes grounds for disciplinary action. NRS 645C.470(2) provides that an appraiser is guilty of unprofessional conduct if he violates any provision of NRS Chapter 645C or any regulation adopted pursuant to NRS Chapter 645C. NRS 645C.470(4) provides that an appraiser is guilty of unprofessional conduct if he knowingly communicates a false or fraudulent appraisal to any interested person or otherwise

engages in any deceitful, fraudulent or dishonest conduct. NRS 645C.460(2) provides that if grounds for disciplinary action against an appraiser are found to exist, the Commission may revoke or suspend the license, place conditions upon the license, and/or impose a fine up to \$10,000 per violation. If the Commission finds that any claims for relief are time barred pursuant to NRS 645C.510(3), they may impose any discipline except suspension and revocation.

If discipline is imposed, the Commission may order that costs of this proceeding, including investigative costs and attorney's fees, be awarded to the Commission pursuant to NRS 622.400.

STIPULATED SETTLEMENT

1. The Division was prepared to present its case based upon the Complaints filed with the Commission and Respondent was prepared to defend against the Complaints.

2. The Parties desire to compromise and settle the complaints set forth above upon the following terms and conditions contained in this Stipulation.

3. Respondent does not admit that the Factual Allegations set forth in each of the Complaints above were true, but does admit that the Division may have proven by a preponderance of the evidence that the Factual Allegations were true.

4. Respondent does not admit that the Violations of Law set forth in each of the Complaints above did occur, but does admit that the Division may have proven by a preponderance of the evidence that the Violations of Law did occur.

5. Respondent agrees that this Stipulation is a disciplinary action and reportable as required by law.

6. Respondent agrees to pay the Division an administrative fine in the amount of \$9,000 within 30 days of the effective date of this Stipulation.

7. Respondent shall complete a 15-hour National USPAP course, take and pass the exam within six months from the effective date of the Order approving this Settlement. This class will not count towards the required continuing education for Respondent's license renewal.

1 8. Respondent shall complete a 30-hour Basic Appraisal Procedures Course, take
2 and pass the exam within six months from the effective date of the Order approving this
3 Settlement. This class will not count towards the required continuing education for
4 Respondent's license renewal.

5 9. Respondent shall complete a 3-hour Nevada Law course and take within six
6 months from the effective date of the Order approving this Settlement. This class will not
7 count towards the required continuing education for Respondent's license renewal.

8 10. If Respondent fails to pay the administrative fine within the time allowed and/or if
9 the required courses are not completed in the time allowed, Respondent's license will be
10 automatically suspended until the fine is paid and the education completed.

11 11. The Division agrees not to pursue any other or greater remedies or fines in
12 connection with Respondent's conduct referenced herein and that all pending matters related
13 to the Complaint are resolved.

14 12. Respondent and the Division agree that by entering into this Stipulation, the
15 Division does not concede any defense or mitigation Respondent may assert and that once
16 this Stipulation is approved and fully performed, the Division will close its file in these matters.

17 13. Respondent agrees and understands that if the terms and conditions of this
18 Stipulation are not met, the Division may, at its option, rescind this Stipulation and proceed
19 with prosecuting the Complaints before the Commission.

20 14. Respondent agrees and understands that by entering into this Stipulation,
21 Respondent is waiving his rights to a hearing in all matters relating to the Complaints at which
22 Respondent may present evidence in his defense, his right to a written decision on the merits
23 of the complaints, his rights to reconsideration and/or re-hearing, appeal and/or judicial review,
24 and all other rights which may be accorded by the Nevada Administrative Procedure Act, the
25 Nevada Appraisers of Real Estate and Appraisal Management Companies statutes and
26 accompanying regulations, and the federal and state constitutions. Respondent understands
27 that this Stipulation and other documentation may be subject to public records laws. The
28 Respondent understands and agrees that the Commission Members who review this matter

1 for approval of this Stipulation may be the same members who ultimately hear, consider and
2 decide the Complaint if this Stipulation is either not approved by the Commission or is not
3 timely performed by Respondent. Respondent fully understands that he has the right to be
4 represented by legal counsel in this matter at his own expense.

5 15. Each party shall bear its own attorneys' fees and costs.

6 16. Stipulation is Not Evidence. Neither this Stipulation nor any statements made
7 concerning this Stipulation may be discussed or introduced into evidence at any hearing on
8 the Complaints, if the Division must ultimately present its case based on the Complaints filed
9 in this matter.

10 17. Approval of Stipulation. Once executed, this Stipulation will be filed with the
11 Commission and will be placed on the agenda for approval at its **March 24 through 26, 2015**,
12 public meeting. The Division will recommend to the Commission approval of the Stipulation.
13 Respondent agrees and understands that the Commission may approve, reject, or suggest
14 amendments to this Stipulation, which must be accepted or rejected by Respondent before
15 any amendment is effective.

16 18. Withdrawal of Stipulation. If the Commission rejects this Stipulation or suggests
17 amendments unacceptable to Respondent, Respondent may withdraw from this Stipulation
18 and the Division may pursue its Complaints before the Commission at the Commission's next
19 regular public meeting.

20 19. Release. In consideration of execution of this Stipulation, Respondent for
21 himself, his heirs, executors, administrators, successors, and assigns, hereby releases,
22 remises, and forever discharges the State of Nevada, the Department of Business and
23 Industry, and the Division, and each of their respective members, agents, employees and
24 counsel in their individual and representative capacities, from any all manner of actions,
25 causes of action, suits, debts, judgments, executions, claims, and demands whatsoever,
26 known and unknown, in law or in equity, that the Respondent ever had, now has, may have,
27 or claim to have, against any or all of the persons or entities named in this section, arising out

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1 of or by reason of the Division's investigation, this disciplinary action, and all other matters
2 relating thereto.

3 20. Indemnification. Respondent hereby indemnifies and holds harmless the State
4 of Nevada, the Department of Business and Industry, the Real Estate Division, and each of
5 their respective members, agents, employees and counsel in their individual and
6 representative capacities against any and all claims, suits, and actions brought against said
7 persons and/or entities by reason of the Division's investigation, this disciplinary action, and all
8 other matters relating thereto, and against any and all expenses damages, and costs,
9 including court costs and attorneys' fees, which may be sustained by the persons and/or
10 entities named in this section as a result of said claims, suits, and actions.

11 21. Respondent has signed and dated this Stipulation only after reading and
12 understanding all terms herein.

13 **IT IS SO STIPULATED.**

14 Dated: 3/24/15

15 REAL ESTATE DIVISION
16 Department of Business and Industry
17 State of Nevada

17 By: JOSEPH (JD) DECKER
18 Administrator

19 Approved as to form:

20 DATED this 24 day of March, 2015.
21 ADAM PAUL LAXALT,
22 Attorney General

23 Colleen L. Platt
24 COLLEEN L. PLATT
25 Deputy Attorney General
26 NV Bar No. 11684
27 100 North Carson Street
28 Carson City, Nevada 89701
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(775) 684-1108 (fax)
Attorneys for the State of Nevada
Real Estate Division

Dated: 3/24/2015

RONALD JAMES
Appraiser A.0003842-CG

By: Ronald James
RONALD JAMES
Respondent

Approved as to form and contents.

DATED this 24 day of March, 2015.
LIPSON, NEILSON, COLE, SELTZER &
GARIN, P.C.

Kaleb Anderson
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